



8120-08-P

## **TENNESSEE VALLEY AUTHORITY**

### **Sugar Camp Energy LLC Mine Expansion (Revision 6) Environmental Impact Statement**

**AGENCY:** Tennessee Valley Authority.

**ACTION:** Notice of intent.

**SUMMARY:** The Tennessee Valley Authority (TVA) intends to prepare an Environmental Impact Statement (EIS) on the proposed expansion of mining operations by Sugar Camp Energy, LLC to extract TVA-owned coal reserves in Hamilton and Franklin counties, Illinois. A portion of the expansion area contains coal reserves owned by TVA that are leased to Sugar Camp Energy, LLC. TVA will consider whether to approve the company's application to mine approximately 12,125 acres ("project area") of TVA-owned coal reserves.

**DATES:** Comments must be received or postmarked by **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

**ADDRESSES:** Written comments should be sent to Elizabeth Smith, NEPA Specialist, Tennessee Valley Authority, 400 W. Summit Hill Drive #WT11B, Knoxville, Tennessee 37902. Comments may be sent electronically to [esmith14@tva.gov](mailto:esmith14@tva.gov).

**FOR FURTHER INFORMATION CONTACT:** Elizabeth Smith, by phone at 865-632-3053, by email at [esmith14@tva.gov](mailto:esmith14@tva.gov), or by mail at the address above.

**SUPPLEMENTARY INFORMATION:** This notice is provided in accordance with the Council on Environmental Quality's regulations (40 CFR parts 1500 to 1508) and TVA's procedures for implementing the National Environmental Policy Act (NEPA) and Section

106 of the National Historic Preservation Act (NHPA) and its implementing regulations (36 CFR part 800).

Sugar Camp Energy, LLC (Sugar Camp) proposes to expand its underground longwall mining operations at its Sugar Camp Mine No. 1 in southern Illinois by approximately 37,972 acres. TVA owns coal reserves underlying approximately 12,125 acres of the Herrin No. 6 seam within the expansion area. In November 2017, Sugar Camp obtained approval for the expansion from the State of Illinois, when the Illinois Department of Natural Resources (IDNR), Office of Mines and Minerals (OMM) Land Reclamation Division (LRD) approved Significant Revision (SR) No. 6 to the company's Surface Coal Mining and Reclamation Operations Permit – Underground Operations (Number 382). TVA will consider whether to approve the company's application to mine approximately 12,125 acres ("project area") of the TVA-owned coal reserves.

Under the proposal, surface and underground disturbance would occur. Surface activities to support the underground mining would be limited to the construction of bleeder shafts and installation of associated utilities to operate the bleeder shafts to support the extraction of TVA-owned coal. The exact location of these surface activities is unknown at this time, but they would occur within the project area. Other activities to support the underground mining of TVA-owned coal would be located outside of the project area and include operation of the coal preparation plant (approximately 3.5 miles southwest of Macedonia, Illinois).

Underground mining would be performed using two techniques. Coal would be extracted using room and pillar and continuous mining techniques during a development period, followed by longwall mining and associated planned subsidence. Subsidence

would only occur under a portion of the project area. Sugar Camp would utilize its existing Mine No. 1 facilities to process and ship extracted coal.

## **Background**

TVA is a federal corporation and instrumentality of the United States government, created in 1933 by an act of Congress to foster the social and economic well-being of the residents of the Tennessee Valley region. As part of its diversified energy strategy, TVA completed a series of land and coal mineral acquisitions from the 1960s through the mid-1980s that resulted in the coal ownership of two large coal reserve blocks in the southwestern section of the Illinois Basin. TVA owns coal reserves underlying approximately 65,000 acres of land containing approximately 1.35 billion tons of Illinois No. 5 and No. 6 coal seams.

TVA executed a coal lease agreement with Sugar Camp in July 2002 which allows Sugar Camp to mine the TVA coal reserves in the Illinois Basin coalfield. The purpose of this agreement is to facilitate the recovery of TVA coal resources in an environmentally sound manner. Under the terms of the agreement, Sugar Camp may not commence any mining activity pursuant to a mining plan or revisions until satisfactory completion of all environmental and cultural resource reviews by TVA required for compliance with all applicable law and regulations. Sugar Camp submitted to TVA a plan for the mining of 12,125 acres of coal reserves within the area previously approved by the State of Illinois as SBR No. 6. The EIS initiated by TVA will assess the environmental impact of approving this plan. In doing so, TVA also expects to address the cumulative impacts from the mining of the larger 37,972-acre area previously approved by the State of Illinois as SBR No. 6.

The operations of Sugar Camp Mine No. 1 have previously been subject to TVA review and approval. In 2008, Sugar Camp obtained a permit from the State of Illinois for underground longwall mining operations on approximately 12,103 acres in Franklin and Hamilton counties; the original permit did not include TVA-owned coal reserves. In 2010, Sugar Camp applied to the state for a SBR of that permit to mine TVA-owned coal under an additional 817-acre area. The permit was issued in May 2010. In 2011, TVA prepared an EA to document the potential effects of Sugar Camp's proposed mining of TVA-owned coal underneath a 2,600-acre area for Sugar Camp Mine No. 1.

In November 2017, Sugar Camp obtained approval from the IDNR to expand Sugar Camp Mine No. 1 by 37,792 acres. The Sugar Camp proposal included the expansion of operations along the north perimeter of its original mine perimeter, into a 2,250-acre area referred to as Viking District #2. In November 2018, TVA completed an EA entitled "Sugar Camp Coal Mine Expansion Viking District #2" which addressed expansion of mining operations into the area. In May 2019, TVA supplemented this EA to consider Sugar Camp's proposal to expand its mining into a 155-acre area within the Viking District #3, adjacent to Viking District #2.

## **Alternatives**

TVA has initially identified two alternatives for consideration in the EIS: TVA's approval of Sugar Camp's application to mine 12,125 acres of TVA-owned coal reserves within the expansion area of Sugar Camp Mine No. 1, as approved by the State of Illinois; and the No Action Alternative. Under the action alternative, TVA proposes to assess the direct and indirect effects of the mining operations to extract TVA-owned coal reserves underlying approximately 12,125 acres within the expansion area. The mining

of the remaining acreage within the 37,792-acre expansion area is not a connected action; however, TVA will address the effects of mining the remaining acreage in the cumulative impacts section of the EIS. The description and analysis of these alternatives in the EIS will inform decision makers, other agencies and the public about the potential for environmental impacts associated with the mining operations. TVA solicits comment on whether there are other alternatives that should be assessed in the EIS.

### **Proposed Resources and Issues to be Considered**

Public scoping is integral to the process for implementing NEPA and ensures that issues are identified early and properly studied, issues of little significance do not consume substantial time and effort, and the analysis of those issues is thorough and balanced. This EIS will identify the purpose and need of the project and will contain descriptions of the existing environmental and socioeconomic resources within the area that could be affected by mining operations. Evaluation of potential environmental impacts to these resources will include, but not be limited to, water quality, soil erosion, floodplains, aquatic and terrestrial ecology, threatened and endangered species, botany, wetlands, land use, historic and archaeological resources, as well as solid and hazardous waste, safety, socioeconomic and environmental justice issues. The final range of issues to be addressed in the environmental review will be determined, in part, from scoping comments received. TVA is particularly interested in public input on other reasonable alternatives that should be considered in the EIS. The preliminary identification of reasonable alternatives and environmental issues in this notice is not meant to be exhaustive or final.

## **Public Participation**

The public is invited to submit comments on the scope of this EIS no later than the date identified in the “Dates” section of this notice. Federal, state and local agencies and Native American Tribes are also invited to provide comments. After consideration of comments received during the scoping period, TVA will develop and distribute a scoping document that will summarize public and agency comments that were received and identify the schedule for completing the EIS process. Following analysis of the issues, TVA will prepare a draft EIS for public review and comment; the draft EIS is scheduled for completion in late 2020. In finalizing the EIS and in making its final decision, TVA will consider the comments that it receives on the Draft EIS.

Authority: 40 CFR 1501.7.

**M. Susan Smelley,**

*Director, Environmental Compliance and Operations.*

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